



Robert E. Allen
Chairman of the Board

285 North Maple Avenue
Basking Ridge, NJ 07820
212 644-1000

September 30, 1992

Dear Chairman Sikes:

I am writing because of concern I have that the FCC is contemplating taking steps in Docket 91-360 at your October 8 Open Meeting which would be harmful to U.S. long distance companies, American businesses and consumers and U.S. competitiveness in global services markets.

Progressive government policies, extensive research and technological implementation and private enterprise competition have produced in the United States the most open and advanced telecommunications industry in the world. Other nations envy American progress and vie to capture its benefits for their own businesses. But they do so without taking the steps of liberalizing, privatizing and competing which are at the core of American policy and progress. As a result:

- Carriers with protected home markets have access to U.S. domestic and international markets while almost no other governments permit comparable access by American carriers.
- Accounting rates are universally high and are frequently higher to the U.S. than to more favored nations. In 1992 over \$4 billion from U.S. businesses and consumers will be paid out of foreign telephone administrations -- two and a half times the 1987 amount.

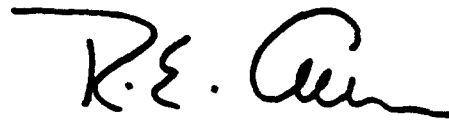
It is time for the United States to revamp its policies for international telecommunications - not in an ad hoc piecemeal manner - but comprehensively and fundamentally. AT&T will not pretend to know the outcome, but offers the following principles as being worthy of consideration:

- Non-U.S. based carriers should be given U.S. market access commensurate to that granted U.S. based carriers in the home countries of the non-U.S. based carriers.

- When granted access to U.S. markets, non-U.S. based carriers should be regulated commensurately with U.S. based carriers as U.S. based carriers are regulated in the non-U.S. based carriers' home markets.
- Regulation of non-U.S. based carriers in the U.S. should be commensurate with the most regulated U.S. based carrier.
- Non-U.S. based carriers should be permitted to furnish service between the U.S. and their home markets only when accounting rates to the U.S. are at cost and no less favorable than those with other nations.

The United States cannot afford to squander its competitive telecommunications strength -- not even on the goal of leadership in openness. I urge you and the other commissioners to step back, look around -- and look again.

Respectfully,

A handwritten signature in dark ink, appearing to read "R.E. Allen". The signature is fluid and cursive, with a long horizontal stroke at the end.

The Honorable Alfred C. Sikes, Chairman
Federal Communications Commission
Room 814
1919 M Street, N.W.
Washington, D.C. 20554

FCC TOP 50 NET OUTPAYMENT COUNTRIES

(From December 1993 Data)

COUNTRY	NET OUTPAYMENTS	SUBSIDY*	% SUBSIDY
MEXICO	\$679,067,300	\$578,771,903	85%
GERMANY	\$195,890,833	\$146,816,255	75%
PHILIPPINES	\$156,519,217	\$129,952,716	83%
DOMINICAN REP	\$128,465,777	\$98,377,550	77%
CANADA	\$121,771,685	\$64,583,018	53%
KOREA	\$99,767,574	\$83,047,877	83%
COLOMBIA	\$96,282,901	\$71,934,110	75%
ISRAEL	\$93,753,912	\$80,319,457	86%
UNITED KINGDOM	\$86,401,956	\$51,566,337	60%
BRAZIL	\$71,555,236	\$57,239,525	80%
CHINA, PEOPLES REPUB	\$70,061,892	\$63,594,650	91%
ITALY	\$67,254,905	\$53,856,426	80%
JAMAICA	\$64,769,521	\$52,464,245	81%
EL SALVADOR	\$64,438,610	\$50,729,089	79%
PAKISTAN	\$64,062,922	\$55,505,018	87%
TAIWAN	\$57,773,990	\$45,704,124	79%
JAPAN	\$57,466,245	\$44,745,775	78%
PERU	\$54,467,113	\$44,321,514	81%
ECUADOR	\$49,306,697	\$40,061,798	81%
SPAIN	\$48,699,485	\$40,830,168	84%
GUATEMALA	\$47,976,968	\$37,556,433	78%
GREECE	\$40,314,829	\$33,673,675	84%
FRANCE	\$40,233,446	\$27,745,391	69%
RUSSIA	\$39,865,914	\$35,261,105	88%
INDIA	\$39,776,870	\$34,116,683	86%
SAUDI ARABIA	\$35,511,851	\$30,775,166	87%
ARGENTINA	\$33,960,459	\$27,791,709	82%
EGYPT	\$33,719,768	\$28,152,395	83%
THAILAND	\$33,498,827	\$27,883,744	83%
POLAND	\$33,092,836	\$25,762,786	78%
HONDURAS	\$32,994,927	\$26,419,093	80%
TRINIDAD	\$29,168,926	\$23,552,450	81%
HAITI	\$28,507,355	\$22,168,818	78%
HONG KONG	\$26,350,061	\$21,619,301	82%
PANAMA	\$24,539,520	\$18,942,963	77%
INDONESIA	\$21,315,921	\$17,610,383	83%
BELGIUM	\$21,129,505	\$16,523,740	78%
TURKEY	\$20,948,249	\$17,711,177	85%
IRELAND	\$20,493,585	\$14,616,285	71%
BANGLADESH	\$20,083,035	\$17,661,384	88%
PORTUGAL	\$17,897,716	\$14,074,754	79%
YUGOSLAVIA	\$17,701,549	\$14,802,270	84%
COSTA RICA	\$17,601,652	\$13,442,637	76%
NIGERIA	\$17,283,067	\$13,836,437	80%
JORDAN	\$17,214,170	\$13,868,292	81%
NICARAGUA	\$17,102,296	\$13,686,463	80%
MALAYSIA	\$16,682,860	\$13,903,208	83%
CHILE	\$16,070,044	\$12,758,891	79%
SWITZERLAND	\$15,571,372	\$11,459,101	74%
VENEZUELA	\$15,238,594	\$11,788,856	77%
TOTALS	\$3,523,340,342	\$2,836,200,838	80%

* Calculated by assuming settlement payments above SPR Study cost-based settlement rates of \$0.08/min. for Canada and \$0.15/min. for all other countries are subsidies.



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January 6, 1994

Mr. William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street, N.W.
Mail Stop 1170/Room 222
Washington D.C. 20554

RE: CC Docket No. 90-337 (Phase II)
AT&T Accounting Rate Progress Report

Dear Mr. Caton:

AT&T hereby resubmits its 1994 Accounting Rate Progress Report. The January 3, 1994 submission of the report did not contain the final page of the attachment.

A copy of this report has been served on all parties of record.

Respectfully submitted,

Elaine R. McHale

Attachment

cc: All Parties of Record

Commission concluded that highlighting countries where U.S. carriers have had limited or no success in achieving accounting rate reform could stimulate cooperation by identified foreign correspondents and "place those correspondents on notice that they may be the focus of future Commission action."² AT&T's experience in 1993 demonstrates that publication of a problematic list, while helpful, is insufficient to produce meaningful results in U.S. carrier negotiations with foreign monopoly correspondents.

As the Commission is aware, most foreign correspondents with whom U.S. carriers must negotiate accounting rates are monopoly providers. The leverage U.S. carriers have in that context often is insufficient to achieve accounting rate reductions. In some cases, the publication of recalcitrant correspondents has provided the impetus for movement by the correspondent. In 6 of the 11 countries identified on AT&T's egregious list, lower accounting rates were negotiated in 1993, albeit some with relatively small reductions.³ Unfortunately, publication was not sufficient to persuade other correspondents to even negotiate toward cost-based, nondiscriminatory accounting rates. Iran, Pakistan, Guyana, Russia and French Polynesia all remain on the egregious list for their continued refusal to negotiate reduced accounting rates with AT&T. In addition, three correspondents who also have been unwilling to consider further reductions or bargain in good faith have been added to AT&T's 1994 egregious list: Denmark, Honduras, and Panama. As required, the specifics of AT&T's negotiations with these correspondents is provided in the Report.

prior agreement for at least two years; (3) the correspondent discriminates against U.S. carriers, as evidenced by the disparity in accounting rates the correspondent maintains with other correspondents in its region; (4) AT&T's traffic imbalance with the correspondent is equal to or greater than 65% outbound U.S./35% inbound U.S.; and (5) AT&T's outpayment made to the correspondent is more than \$5 million per year. Correspondents listed on AT&T's "egregious list" meet at least three of these criteria, and also have otherwise have been unwilling to consider further reductions or bargain in good faith.

² Second Report and Order, para. 24.

³ New lower accounting rates were established with Argentina, Bulgaria, Fiji, Trinidad and Tobago, and Turkey. An agreement to lower the premium accounting rate on 800 Service with Stentor in Canada was also concluded, with a further commitment from the correspondent that the premium would be phased out in the near term.

Most revealing over the course of the last year were the developments that occurred with respect to AT&T's negotiations with two other correspondents on the egregious list -- Trinidad and Tobago, and INTEL in the Republic of Russia.⁴ In the case of Trinidad and Tobago, numerous attempts by AT&T and designation of the correspondent on AT&T's egregious list were insufficient to persuade the correspondent to conclude an accounting rate agreement. An agreement was reached only after Chairman Quello responded to a letter from the correspondent, making clear that the Commission expected accounting rates to be cost-based and non-discriminatory -- notwithstanding the correspondent's need to finance infrastructure development. Trinidad and Tobago then agreed to a multi-year plan to establish accounting rates well within the Commission's benchmark range for the Americas on a defined schedule.⁵ These events demonstrate that government-to-government communications or other similar Commission intervention appropriate under the circumstances can expedite accounting rate reform -- and will be necessary to achieve success with certain correspondents.

AT&T's experience with INTEL in the Republic of Russia demonstrates a second important fact: accounting rate reform with foreign correspondents will not be achieved unless all U.S. carriers proactively seek out accounting rate reductions. After the breakup of the Soviet Union, AT&T attempted to establish new lower accounting rates with the Republic of Russia, rather than maintain the \$2.60 per minute accounting rate that had been in place. Despite AT&T's repeated efforts, AT&T was unable to conclude a new agreement due to one simple fact: the U.S. industry did not maintain a uniform posture vis-à-vis the correspondent.⁶

Finally, despite the efforts of U.S. carriers, the subsidy level embodied in accounting rates paid to foreign carriers remains virtually constant. Notwithstanding the passage of CCITT Recommendation D.140, which called for the establishment of "cost-oriented" and nondiscriminatory accounting rates within a one to five year time frame, no

⁴ INTEL has changed its name to Rostelecom. AT&T's service agreement on file with the Commission does not yet reflect this name change.

⁵ Trinidad and Tobago agreed to a seven year plan to reduce its rates from \$1.65 per minute to \$1.00 per minute.

⁶ See, e.g., MCI Petition for Waiver, submitted February 2, 1993, for Switched Voice Service with Republic of Russia (setting accounting rate at \$2.60 per minute).

correspondent has cost-justified accounting rates with U.S. carriers, and discriminatory accounting rates vis-à-vis U.S. carriers remain the rule rather than the exception.⁷ In the following year, therefore, AT&T urges the Commission to focus its resources on the elimination of discrimination by foreign correspondents against U.S. carriers.⁸ Although the Commission rightfully has denounced the blatant discrimination in accounting rates by European and other correspondents, there are additional steps the Commission can and should take to eliminate discriminatory accounting rates.

Specifically, the Commission should (1) communicate to foreign governments and correspondents, through appropriate channels, the Commission's expectation that accounting rates with U.S. carriers should be nondiscriminatory; (2) demonstrate its unwillingness to tolerate discrimination by foreign correspondents by requiring all foreign correspondents that seek to enter or expand their operations in the U.S. (either directly or through affiliations) to establish, as a condition of entry or expansion, accounting rates with U.S. carriers that are no higher than the accounting rates the correspondent maintains with its non-U.S. correspondents; (3) act promptly to protect U.S. carriers from retaliatory measures of foreign correspondents, when they seek to punish U.S. carriers for their proactive attempts to negotiate accounting rate reform;⁹ (4) develop a formal process for U.S. carriers to

⁷ In the Second Report and Order (para. 36), the Commission decided to refrain from taking "any unilateral actions, including establishing set rates or imposing additional regulations to foster lower net settlements outpayments, until we can evaluate the January 1993 filings and the effects of CCITT Recommendation D.140.

⁸ While the lack of cost studies may limit the Commission's ability to determine precisely the cost-based level of accounting rates, the Commission has already made a finding, based on evidence submitted in Phase I of this proceeding, that European administrations discriminate against U.S. carriers in the establishment of accounting rates.

⁹ Some correspondents increasingly are becoming more willing to use their monopoly power to resist accounting rate reductions. In one country, the correspondent has refused to provision additional circuits necessary to handle AT&T's traffic because of AT&T's efforts to negotiate lower accounting rates. This "facility whipsawing" is particularly threatening to competing U.S. carriers: absent effective and prompt Commission action to redress this type of facility whipsawing, the foreign correspondent will control the success of the U.S. carrier in the competitive U.S. market.

engage the Commission in efforts to protect U.S. interests when the bilateral negotiation process does not yield satisfactory results.¹⁰ Further, to achieve success, it is critical that the Commission orchestrate a uniform posture by the five largest U.S. carriers vis-à-vis foreign correspondents to redress exercises of monopoly power by foreign correspondents. Requiring all U.S. carriers to terminate their service arrangements with a foreign correspondent within a specified time if the correspondent refuses to implement non-discriminatory accounting rates is one available option that would cause the foreign correspondent to respond and that would protect U.S. carriers in the competitive market.¹¹

In another country, a correspondent has threatened to terminate AT&T's service arrangement if AT&T does not permit the correspondent to renege on its previous agreement to lower the accounting rate. If the Commission does not act promptly, when requested, to protect U.S. carriers from the exercise of foreign correspondents' monopoly power, correspondents will perceive the Commission's drive for accounting rate reform as idle statements, and no U.S. carrier will be able to withstand the burden of negotiating accounting rate reform.

¹⁰ AT&T's 1993 and 1994 Accounting Rate Progress Reports reveal that many correspondents continue to maintain discriminatory and excessive accounting rates. Although most of these correspondents have not engaged in whipsawing or taken retaliatory action in response to attempts to negotiate accounting rates, the practical ability of these carriers to stand pat or agree only to small reductions in accounting rate levels frustrates U.S. efforts to realize accounting rate reform. While the Commission's complaint process theoretically is available to provide redress in instances of whipsawing or retaliation, there is presently no formal process available to U.S. carriers to engage the assistance of the Commission in negotiations with the larger group of correspondents that simply resist meaningful accounting rate reform.

¹¹ Upon a complaint of a U.S. carrier, the Commission could determine, based on the information made available to it, whether the accounting rate maintained by the correspondent is above-cost and/or discriminatory. If it finds that either is the case and that the correspondent is unwilling to bargain in good faith, the Commission could determine, based on evidence submitted by the U.S. carriers, the maximum level that it believes would be appropriate for U.S. carriers to pay that correspondent. All U.S. carriers then could be ordered to attempt to negotiate an accounting rate no higher than the Commission-determined level within a specified time frame. If the carriers are unsuccessful, the Commission could direct all U.S. carriers to terminate their service arrangements with the foreign correspondent, in accordance with the terms of their respective service agreements' provisions for termination without cause.

In prior pleadings, Sprint has criticized AT&T's proposal in this regard on the grounds that it would suffer competitive harm if it were required to cancel its service agreement because, Sprint

These and other measures will be necessary to achieve the Commission's goal of cost-based, nondiscriminatory accounting rates for U.S. carriers in a reasonable time frame. Commission oversight, while necessary, is alone insufficient to produce meaningful accounting rate reform. Only if the Commission takes additional steps to bolster the efforts of U.S. carriers, including immediate measures to remove blatantly discriminatory accounting rates, and supports the efforts of other U.S. government agencies to achieve cost-based based, nondiscriminatory accounting rates will the U.S. be successful.

Respectfully submitted,

Elaine R. M. Schale

cc: All Parties of Record

claims, only AT&T would be able to re-institute an agreement with the correspondent after resolution of a complaint. AT&T disagrees with this assessment, as AT&T has become the target of certain correspondents' actions intended to penalize AT&T for its proactive stance with respect to accounting rate reform. See note 9, supra. In any event, to address Sprint's concern, the Commission could permit reinstatement of service only upon the same date for all U.S. carriers to ensure that no one carrier is harmed.

EUROPEAN REGION (page 1)

FCC Settlement Rate Target Range: 0.165 SDR - 0.275 SDR (\$0.23 - \$0.39)

Midpoint: 0.22 SDR (\$0.31)

Country	Current Accounting Rate	Current Avg. Settlement Rate	Date of Last A/R Change	Lowest Future Rate Settlement Rate	Effective Date	Number of Years Since Last Change**	Regional Discrimination Exists ***	Achieves FCC Target Range in 1994
Austria	0.600 SDR	0.300 SDR	10/93			0.3	YES	NO
Armenia	\$2.00	\$1.000	01/93	\$0.500	01/94		YES	NO
Belgium	0.800 SDR	0.400 SDR	07/93			0.6	YES	NO
Bulgaria	\$1.75	\$0.675	01/93	\$0.350	01/96		YES	NO
Croatia	1.000 SDR	0.500 SDR	01/93	0.250 SDR	01/96		YES	NO
Cyprus	1.200 SDR	0.600 SDR	01/93	0.500 SDR	01/94		YES	NO
Czech Rep.	0.900 SDR	0.450 SDR	10/93			0.3	YES	NO
Denmark	1.000 SDR	0.500 SDR	07/89			4.5	YES	NO
Finland	0.650 SDR	0.325 SDR	10/92			1.3	YES	NO
France	0.520 SDR &	0.260 SDR	01/93*			1.0	YES	YES
Germany	0.600 SDR	0.300 SDR	04/93			0.8	YES	YES
Gibraltar	\$1.30	\$0.650	01/92			2.0	YES	NO
Greece	1.120 SDR	0.560 SDR	01/93*			1.0	YES	NO
Hungary	0.900 SDR	0.450 SDR	08/93			0.4	YES	NO
Iceland	0.900 SDR	0.450 SDR	07/93			0.5	YES	NO
Ireland	0.670 SDR	0.335 SDR	04/93			0.8	YES	NO
Italy	1.10/0.80 SDR#	0.498 SDR	01/93	.65/.40	01/96 *		YES	NO
Lithuania	\$2.00*	\$1.00	09/93*			0.3	YES	NO
Luxembourg	0.700 SDR	0.350 SDR	01/93			1.0	YES	NO
Netherlands	0.500 SDR	0.250 SDR	12/92			1.1	YES	YES
Norway	0.700 SDR	0.350 SDR	01/93			1.0	YES	NO
Poland	\$1.25	\$0.625	01/93	\$0.350	01/97		YES	NO
Portugal	1.06/0.50 SDR##	0.510 SDR	01/93	0.250 SDR	01/96		YES	NO
Romania	\$1.80	\$0.900	07/92			1.5	YES	NO
Russia (AEROCOM)	\$2.00	\$1.000	11/92	\$0.500	11/94		YES	NO
Russia (Rosteleco)	\$2.60	\$1.300	01/93			1.0	YES	NO
Serbia/Montenegro	1.080 SDR	0.540 SDR	01/93			1.0	YES	NO
Slovakia	1.100 SDR	0.550 SDR	10/93			0.3	YES	NO
Spain	1.30/0.80 SDR #	0.585 SDR	07/92	0.325 SDR	01/97		YES	NO
Sweden	0.500 SDR	0.250 SDR	01/90			3.0	YES	YES
Switzerland	0.600 SDR &	0.300 SDR	08/93			0.8	YES	NO
Turkey	1.200 SDR	0.600 SDR	12/93*			0.1	YES	NO
Ukraine	\$2.00	\$1.000	01/92	\$0.750	01/94		YES	NO
United Kingdom (B)	0.44/0.35 SDR	0.200 SDR	04/93			0.8	YES	YES
United Kingdom (I)	0.300 SDR &	0.150 SDR	10/93			0.3	NO	YES

* Time-Bounded Agreement

& Pending FCC Approval

** Data as of December 31, 1993

*** Intra-European Telecom Rate Range:

0.165 SDR - 0.275 SDR (\$0.23 - \$0.39)

Intra-Nordic Settlement Rate: 0.05 SDR (\$0.07)

Peak-Off-peak rates

Growth Based rates

Note: 1 SDR = \$1.40

30-Dec-93

EUROPEAN REGION (page 2)

FCC Settlement Rate Target Range: 0.165 SDR - 0.275 SDR (\$0.23 - \$0.39)

Midpoint: 0.22 SDR (\$0.31)

Country	Percentage Above Midpoint at Lowest Rate	Achieves Midpoint of FCC Target Range in 1994	1991 AT&T Outpayment (millions)	1992 AT&T Outpayment (millions)	% Change 1991 to 1992	AT&T Initiated Change	AT&T % of 2-way 1992 mins.
Austria	36%	NO	\$5.4	\$4.3	-20%	YES	55%
Armenia	61%	NO	N/A	\$6.4	N/A	YES	85%
Belgium	82%	NO	\$15.0	\$13.7	-9%	YES	65%
Bulgaria	13%	NO	\$2.4	\$2.4	0%	YES	80%
Croatia	14%	NO	N/A	N/A	N/A	YES	N/A
Cyprus	127%	NO	\$4.6	\$2.4	-48%	YES	74%
Czech	105%	NO	\$1.6	\$1.7	6%	YES	68%
Denmark	127%	NO	\$5.6	\$4.8	-14%	YES	61%
Finland	48%	NO	\$1.1	\$1.3	18%	YES	55%
France	18%	NO	\$27.1	\$26.5	-2%	YES	56%
Germany	36%	NO	\$231.2	\$170.3	-26%	YES	75%
Gibraltar	110%	NO	\$0.1	\$0.1	0%	YES	57%
Greece	155%	NO	\$31.5	\$27.5	-13%	YES	74%
Hungary	105%	NO	\$4.2	\$2.4	-43%	YES	66%
Iceland	105%	NO	\$1.8	\$0.9	-50%	YES	61%
Ireland	52%	NO	\$14.6	\$14.6	0%	YES	70%
Italy	25%	NO	\$67.7	\$46.3	-32%	YES	69%
Lithuania	223%	NO	N/A	\$0.70	N/A	YES	N/A
Luxembourg	59%	NO	\$0.1	\$0.4	300%	YES	53%
Netherlands	14%	NO	\$11.1	\$11.8	6%	YES	60%
Norway	59%	NO	\$2.9	\$2.6	-10%	YES	55%
Poland	13%	NO	\$39.8	\$25.5	-36%	YES	71%
Portugal	14%	NO	\$15.8	\$16.4	4%	YES	77%
Romania	180%	NO	\$9.6	\$9.1	-5%	YES	84%
Russia (AEROCOM)	61%	NO	N/A	N/A	N/A	YES	N/A
Russia (Rostelecom)	319%	NO	\$10.4	\$20.6	98%	YES	68%
Serbia/Montenegro	145%	NO	N/A	N/A	N/A	YES	N/A
Slovakia	150%	NO	N/A	\$0.70	N/A	YES	N/A
Spain	48%	NO	\$29.6	\$36.3	23%	YES	70%
Sweden	14%	NO	\$0.2	\$2.8	1300%	YES	51%
Switzerland	36%	NO	\$11.5	\$12.7	10%	YES	58%
Turkey	173%	NO	\$18.8	\$13.5	-28%	YES	70%
Ukraine	142%	NO	N/A	\$1.5	N/A	YES	N/A
United Kingdom (BT)	-9%	YES	\$74.4	\$52.4	-30%	YES	59%
United Kingdom (MCL)	-32%	YES	\$18.6	\$13.1	-30%	YES	56%

Note: 1 SDR=\$1.40

21-Dec-93

ASIA/PACIFIC MIDDLE EAST REGION (page 1)
FCC Settlement Rate Target Range: 0.275 SDR - 0.420 SDR (\$0.39 - \$0.60)
Midpoint: 0.35 SDR (\$0.49)

Country	Current Accounting Rate	Current Avg. Settlement Rate	Date of Last A/R Change	Lowest Future Rate		Number of Years Since Last Change**	Regional Discrimination Exists	Achieves FCC Target Range in 1994
				Settlement Rate	Effective Date			
American Samoa	\$1.40	\$0.700	01/93			1.0		NO
Australia	0.55 SDR	0.275 SDR	10/93			0.3		YES
Bahrain	\$1.60	\$0.600	12/90			3.1		NO
Bangladesh	\$2.00	\$1.000	08/93			0.4		NO
Brunei	\$2.00	\$1.000	09/84			9.3		NO
China	6.50 GFC	\$1.280	05/93	\$1.060	01/95 *		YES (1)	NO
Fiji Island	\$2.50	\$1.250	04/92			1.8	YES (2)	NO
Fr. Polynesia	\$2.50	\$1.250	08/91			2.4	YES (2)	NO
Hong Kong	\$1.20	\$0.600	04/93	\$0.500	01/94			NO
India	\$1.90	\$0.900	04/93			0.8		NO
Indonesia	\$1.80	\$0.900	01/92			2.0		NO
Iran	\$3.00	\$1.500	08/90			3.4		NO
Iraq	\$2.00	\$1.000	05/90			3.7		NO
Israel	see below	\$0.950	01/93			1.0	YES (3)	NO
Japan	0.75 SDR ###	0.375 SDR	04/93			0.7		NO
Jordan	\$1.50	\$0.750	10/84			9.3		NO
Korea	\$1.44 ###	\$0.720	10/93			0.2		NO
Kuwait	1.150 SDR	0.575 SDR	10/88			5.3		NO
Lebanon	\$1.95	\$0.975	10/91			2.3		NO
Malaysia	\$1.15	\$0.575	07/93	\$.525	07/95			NO
New Caledonia	\$2.50	\$1.250	08/91			2.4		NO
New Zealand	.60 SDR	0.300 SDR	01/93			1.0		YES
Nepal	\$2.00	\$1.000	04/88			5.8		NO
Oman	5.07 GFC	\$1.000	01/91			3.0		NO
Pakistan	\$2.30	\$1.150	04/90			3.8		NO
Papua New Guinea	1.500 SDR	0.750 SDR	04/89			3.7		NO
Philippines	\$1.08/\$1.25 ##	\$0.737	07/92*			1.0		NO
Qatar	\$2.00	\$1.000	10/88			7.3		NO
Salpan	\$1.60	\$0.75	12/91			2.1		NO
Saudi Arabia	\$2.20	\$1.100	10/91			2.3		NO
Singapore	0.62 SDR	0.310 SDR	10/92			1.3		YES
Sri Lanka	\$2.20	\$1.100	04/90			3.8		NO
Syria	\$3.00	\$1.500	05/84			9.7		NO
Taiwan	\$1.20	\$0.600	03/93			0.9		NO
Thailand	\$1.60	\$0.800	05/93			0.7		NO
Tonga	\$2.00	\$1.000	01/90			4.0		NO
U.A.E.	\$2.00/\$1.30 #	\$0.880	08/87			6.8		NO
Vietnam	see below	\$0.650	04/92			1.8		NO
Western Samoa	\$1.50	\$0.750	10/88			5.2		NO
Yemen A.R.	\$1.50	\$0.750	08/84			9.4		NO

* Time-Bounded Agreement

** Data as of December 31, 1993

Peak/Off-peak rates

Growth Based rates

Rate for all carriers

(1) Settlement Rate with Japan: 0.82 SDR

(2) Settlement Rate with Australia: \$0.56

(3) Settlement Rate with UK: \$0.95

Israel:

Dial - \$2.16 Standard

Dial - \$1.85 Discount

Dial - \$1.40 Economy

Operator Handled - \$2.16

Vietnam

\$2.30 0-125000 Monthly Imb.

\$2.00 125000-300000 Monthly Imb.

\$1.85 300000-1500000 Monthly Imb.

\$1.70 Over 1500000 Min Monthly Imb.

Note: 1 SDR=\$1.40

21-Dec-93

ASIA/PACIFIC MIDDLE EAST REGION (page 2)
FCC Settlement Rate Target Range: 0.275 SDR - 0.420 SDR (\$0.39 - \$0.60)
Midpoint: 0.35 SDR (\$0.49)

Country	Percentage Above Midpoint at Lowest Rate	Achieves Midpoint of FCC Target Range in 1994	1991 AT&T Outpayment (millions)	1992 AT&T Outpayment (millions)	% Change 1991 to 1992	AT&T Initiated Change	AT&T % of 2-way 1992 mins.
American Samoa	43%	NO	\$1.2	\$0.6	-50%	YES	59%
Australia	-21%	YES	\$3.4	\$1.9	-44%	YES	51%
Bahrain	63%	NO	\$2.2	\$3.1	41%	YES	70%
Bangladesh	104%	NO	\$9.8	\$11.3	15%	YES	93%
Brunei	104%	NO	\$0.2	(\$0.1)	-150%	YES	57%
China	120%	NO	\$37.5	\$29.7	-21%	YES	67%
Fiji Island	155%	NO	\$2.5	\$2.1	-16%	YES	77%
Fr. Polynesia	155%	NO	\$0.6	\$0.5	-17%	YES	65%
Hong Kong	2%	NO	\$14.4	\$15.1	5%	YES	57%
India	94%	NO	\$12.4	\$25.3	104%	YES	62%
Indonesia	84%	NO	\$14.7	\$15.9	8%	YES	77%
Iran	206%	NO	\$28.0	\$19.0	-27%	YES	74%
Iraq	104%	NO	(\$0.2)	\$1.9	1050%	YES	82%
Israel	88%	NO	\$69.6	\$64.5	-7%	YES	74%
Japan	7%	NO	\$52.4	\$33.7	-36%	YES	56%
Jordan	53%	NO	\$12.2	\$11.5	-6%	YES	86%
Korea	47%	NO	\$75.8	\$54.3	-28%	YES	71%
Kuwait	64%	NO	\$3.9	\$7.1	82%	YES	77%
Lebanon	99%	NO	\$5.4	\$6.1	13%	YES	55%
Malaysia	7%	NO	\$6.9	\$8.2	19%	YES	73%
New Caledonia	155%	NO	\$0.0	\$0.0	0%	YES	52%
New Zealand	-14%	YES	\$3.9	\$4.5	15%	YES	58%
Nepal	104%	NO	\$1.0	\$1.1	10%	YES	76%
Oman	104%	NO	\$1.6	\$0.8	-50%	YES	64%
Pakistan	135%	NO	\$45.4	\$49.8	10%	YES	91%
Papua New Guinea	114%	NO	(\$0.1)	(\$0.2)	100%	YES	45%
Philippines	50%	NO	\$124.2	\$109.5	-12%	YES	90%
Qatar	104%	NO	\$0.8	\$1.0	25%	YES	69%
Salpan	53%	NO	N/A	N/A	N/A	YES	56%
Saudi Arabia	124%	NO	\$122.5	\$21.9	-82%	YES	71%
Singapore	-11%	YES	\$3.2	\$3.7	16%	YES	58%
Sri Lanka	124%	NO	\$1.8	\$2.9	61%	YES	83%
Syria	206%	NO	\$6.7	\$7.8	16%	YES	83%
Taiwan	22%	NO	\$20.2	\$27.5	36%	YES	65%
Thailand	63%	NO	\$18.0	\$17.7	-2%	YES	76%
Tonga	104%	NO	\$1.9	\$2.1	11%	YES	93%
U.A.E.	76%	NO	\$7.5	\$3.9	-48%	YES	58%
Vietnam	33%	NO	N/A	\$6.4	N/A	YES	N/A
Western Samoa	53%	NO	\$8.3	\$0.3	0%	YES	78%
Yemen A.R.	53%	NO	\$3.8	\$5.4	42%	YES	65%

Note: 1 SDR=\$1.40

21-Dec-93

AME RICA'S RE (GDM (Group))
 I.C.L. Settlement Rule: Lapsed Range: 0.2/5 SUR 0.4/20 SUR (30 30 - 50 50)
 Maximum: 0.35 SUR (50 49)

Country	Current Accounting Rate	Current Avg Settlement Rate	Date of Last AFR Change	Latest Future Rate	Effective Date	Number of Years Since Last Change	Regional Distribution Exile	Address FDC Target Range in 1984
Argentina	\$1 2500 00 00	\$0 510	04/80	\$0 500	04/80	8.5	YES (1)	YES
Argentin	\$1 2500 00 00	\$0 540	04/80	\$0 500	04/80	8.5		NO
Argentina	\$1 2500 00 00	\$0 530	04/80	\$0 500	04/80	8.5		YES
Aruba	\$1 6501 54	\$0 830	07/85			4.0		YES
Aruba	\$0 76	\$0 300	01/80			4.0		NO
Bahamas	\$0 6000 30 0	\$0 235	01/80			2.0		NO
Bahamas	\$1 25	\$0 675	01/82			1.5		YES
Bahamas	\$1 50	\$0 750	01/82			4.5		NO
Bahamas	\$1 10700 00 0	\$0 805	07/80			1.0		YES
Bahamas	\$1 50	\$0 805	07/80			1.0		NO
Bahamas	\$1 40	\$0 805	07/80			1.0		NO
British Virgin Is.	\$1 2500 00 00	\$0 625	04/80	\$0 615	01/84	0.3	YES (7)	YES
Canada (R. U.)	\$0 2000 74 0	\$0 640	10/80	\$ 267 72	01/84	0.3		YES
Canada (R. U.)	\$0 4200 30 0	\$0 205	10/80			0.7		YES
Cayman Islands	\$1 2500 00 00	\$0 625	04/80	\$0 500	04/80	0.7		YES
Chile	\$1 6001 00 0	\$0 800	08/80	\$0 500	04/80	0.7		NO
Colombia	\$1 50	\$0 700	08/80			0.6		NO
Costa Rica	\$1 30751 00 0	\$0 620	01/84			2.5		NO
Cuba	\$1 20	\$0 600	08/80			9.6		YES
Denmark	\$1 2500 00 00	\$0 540	04/80	\$0 500	04/80	1.5	YES (2)	YES
Denmark	\$1 20	\$0 645	12/80	\$0 400	04/80	1.5		NO
Ecuador	\$1 50	\$0 700	04/82	\$0 40	07/84	4.5		NO
El Salvador	\$1 25	\$0 625	12/80			4.5		NO
French Antilles	\$ 770 SUR	\$ 770 SUR	07/80			4.5		NO
French Antilles	\$ 770 SUR	\$ 770 SUR	07/80			4.5		NO
French Guiana	\$1 2500 00 00	\$0 503	04/80	\$0 500	04/80	10.1		YES
Guatemala	\$1 15	\$0 575	12/80			6.0	YES (4)	YES
Guatemala	\$1 3001 20 00	\$0 855	09/80	\$0 500	08/85	6.0		NO
Haiti	\$1 70	\$0 850	01/87	\$0 600	01/86	9.0		NO
Honduras	\$1 30	\$0 650	01/83	\$0 600	01/86	9.0		NO
Honduras	\$1 50	\$0 700	01/86					NO
India	\$1 50	\$0 730	01/83	\$0 700	04/85			NO
India	\$1 5000 00 00	\$0 500	01/83	\$0 5700 75	04/85			NO
India	\$1 10000 00 00	\$0 500	04/80	\$0 500	04/85			YES
Indonesia	\$0 70	\$0 300	02/80			5.0		NO
Indonesia	\$1 50	\$0 750	03/84			9.0		NO
Indonesia	\$1 30	\$0 600	03/80			9.0		NO
Indonesia	\$1 87	\$0 805	09/80			9.0		NO
Indonesia	\$1 40	\$0 700	07/80			0.5		NO
St Kitts	\$1 2500 00 00	\$0 575	04/82	\$0 500	04/85			YES
St Kitts	\$1 2500 00 00	\$0 505	04/82	\$0 500	04/85			YES
St Lucia	\$1 2500 00 00	\$0 505	04/82	\$0 500	04/85			YES
St Vincent	\$1 2500 00 00	\$1 000	12/80	\$ 500	04/85	0.1	YES (4)	NO
St Vincent	\$2 1001 00 00	\$0 750	04/80	\$ 500	04/85	2.0	YES (1)	YES
St Vincent	\$1 50	\$0 505	04/80	\$0 500	04/85	11.0		NO
St Vincent	\$1 2500 00 00	\$0 505	04/80	\$0 500	04/85			NO
St Vincent	\$1 80751 10 00	\$0 640	01/82					NO
St Vincent	\$1 30	\$0 650	04/83					NO
St Vincent	\$1 30	\$0 650	04/83					NO

① Underwritten value shown since non 5000 split
 - Time Based Agreement
 - Date as of December 31, 1983
 # Paid/ADR peak rates
 @ Growth Based rates
 (1) Settlement Rate between Uruguay and Argentina (\$0 80)
 (2) I.D. Settlement Rate (\$0 14)
 (3) Settlement Rate with Puerto Rico (\$0 45)
 (4) Settlement Rate between Trinidad/Tobago and Guyana (\$0 37)
 (Guyana and Canada (\$ 56)

AMERICA'S REGION (page2)
FCC Settlement Rate Target Range: 0.275 SDR - 0.420 SDR (\$0.39 - \$0.60)
Midpoint: 0.35 SDR (\$0.49)

Country	Percentage Above Midpoint at Lowest Rate	Achieves Midpoint of FCC Target Range in 1994	1991 AT&T Outpayment (millions)	1992 AT&T Outpayment (millions)	% Change 1991 to 1992	AT&T Initiated Change	AT&T % of 2-way 1992 min.
Anguilla	2%	NO	\$0.4	\$0.3	-25%	YES	62%
Antigua	2%	NO	\$1.9	\$1.8	-5%	YES	68%
Argentina	69%	NO	\$19.9	\$20.8	5%	YES	72%
Aruba	-22%	YES	\$0.6	\$0.3	-50%	YES	52%
Bahamas	-52%	YES	\$1.0	\$2.3	-130%	YES	62%
Barbados	26%	NO	\$7.7	\$6.8	-12%	YES	74%
Belize	53%	NO	\$7.6	\$6.7	-12%	YES	81%
Bermude	24%	NO	\$1.5	\$1.5	0%	YES	52%
Bolivia	69%	NO	\$9.4	\$7.4	-21%	YES	62%
Brazil	38%	NO	\$48.5	\$48.0	-3%	YES	68%
British Virgin Isl.	2%	NO	\$0.4	\$0.4	0%	YES	50%
Canada (ILD)	-73%	YES	\$11.4	(\$1.5)	-113%	YES	55%
Canada (1990)	-58%	YES	\$29.0	\$36.8	27%	YES	77%
Cayman Islands	2%	NO	\$0.6	\$0.7	17%	YES	53%
Chile	39%	NO	\$8.4	\$10.8	29%	YES	68%
Colombia	53%	NO	\$65.6	\$72.8	11%	YES	79%
Costa Rica	27%	NO	\$12.1	\$13.7	13%	YES	77%
Cuba	22%	NO	\$10.0	\$8.3	-17%	YES	69%
Dominica	2%	NO	\$1.3	\$1.3	0%	YES	77%
Dominican Republic	-8%	NO	\$70.5	\$92.3	31%	YES	84%
Ecuador	81%	NO	\$33.3	\$39.6	19%	YES	83%
El Salvador	22%	NO	\$55.1	\$50.8	-8%	YES	91%
French Antilles	120%	NO	(\$0.4)	(\$0.4)	0%	YES	47%
French Guiana	120%	NO	\$0.0	\$0.0	0%	YES	45%
Grenada	2%	NO	\$3.4	\$3.3	-3%	YES	82%
Guatemala	17%	NO	\$0.8	\$2.0	150%	YES	71%
Guatemala	20%	NO	\$46.2	\$38.5	-17%	YES	68%
Guyana	73%	NO	\$7.7	\$14.2	84%	YES	76%
Haiti	22%	NO	\$28.4	\$24.2	-15%	YES	82%
Honduras	53%	NO	\$18.5	\$26.8	45%	YES	83%
Jamaica	43%	NO	\$51.0	\$51.7	1%	YES	76%
Mexico	128%	NO	\$485.4	\$487.3	0%	YES	68%
Montserrat	2%	NO	\$0.6	\$0.5	-17%	YES	73%
Netherlands Antilles	-22%	YES	\$0.9	\$0.9	0%	YES	50%
Nicaragua	53%	NO	\$16.0	\$15.8	-1%	YES	66%
Panama	33%	NO	\$19.2	\$18.0	-6%	YES	73%
Paraguay	91%	NO	\$4.2	\$3.8	-10%	YES	78%
Peru	43%	NO	\$31.6	\$38.2	21%	YES	87%
St. Kitts	2%	NO	\$1.7	\$1.4	-18%	YES	72%
St. Lucia	2%	NO	\$1.8	\$1.6	-11%	YES	70%
St. Vincent	2%	NO	\$2.5	\$2.4	-4%	YES	82%
Suriname	104%	NO	\$2.0	\$1.6	-20%	YES	66%
Trinidad/Tobago	2%	NO	\$21.4	\$20.8	-3%	YES	73%
Turks/Caicos	2%	NO	\$0.7	\$0.6	-14%	YES	64%
Uruguay	31%	NO	\$5.1	\$7.7	51%	YES	85%
Venezuela	33%	NO	\$4.7	\$9.4	100%	YES	64%

@@ Represents percent of AT&T rate paid in excess of rate paid by Telmex

Note: 1 SDR=\$1.40

22-Dec-93

AFRICA'S REGION (page1)
FCC Settlement Rate Target Range: 0.275 SDR - 0.420 SDR (\$0.39 - \$0.60)
Midpoint: 0.35 SDR (\$0.49)

Country	Current Accounting Rate	Current Avg. Settlement Rate	Date of Last A/R Change	Lowest Future Rate Settlement Rate	Effective Date	Number of Years Since Last Change**	Regional Discrimination Exists	Achieves FCC Target Range in 1994
Algeria	\$1.80	\$0.900	07/88			5.5		NO
Angola	1.310 SDR	0.655 SDR	02/92			1.9		NO
Benin	\$1.20	\$0.600	02/93	\$0.500	02/94			YES
Botswana	\$1.50	\$0.750	04/87			6.8		NO
Burkina Faso	\$1.50	\$0.750	05/90			3.7		NO
Cameroon	\$2.00	\$1.000	07/93	\$.900	07/95			NO
Cape Verde	\$1.40	\$0.700	05/93	\$.500	05/95			YES
Congo	1.200 SDR	0.600 SDR	12/90			3.1		NO
Djibouti	\$1.50	\$0.750	01/90			4.0		NO
Egypt	\$1.60	\$0.800	07/93			0.5	YES ***	NO
Ethiopia	\$1.80	\$0.900	07/93			0.5		NO
Eritrea	\$2.20	\$1.100	05/92			1.6		NO
Gabon	1.200 SDR	0.600 SDR	08/91			2.3		NO
Gambia	\$1.00	\$0.500	07/89			4.5		YES
Ghana	\$1.30	\$0.650	07/93	\$0.500	07/96			NO
Guinea-Peoples Re	0.800 SDR	0.400 SDR	08/92			1.4		YES
Ivory Coast	6.34 GFC	\$1.250	06/93			0.6		NO
Kenya	\$1.80	\$0.900	01/93	\$0.700	01/95			NO
Lesotho	3.81 GFC	\$0.750	12/84			9.1		NO
Liberia	\$1.00	\$0.500	08/91			2.4		YES
Malawi	\$1.00	\$0.500	11/91			2.2		YES
Mali	3.81 GFC	\$0.750	10/90			3.3		NO
Mauritania	3.80 GFC	\$0.750	12/90			3.1		NO
Mauritius	\$1.50	\$0.750	01/92			2.0		NO
Morocco	1.900 SDR	0.950 SDR	09/93			0.3	YES ***	NO
Mozambique	1.09 SDR	0.545 SDR	01/93			1.0		NO
Niger	3.80 GFC	\$0.750	01/90			4.0		NO
Nigeria	\$1.50	\$0.750	01/85			9.0		NO
Senegal	\$2.60/\$1.80 **	\$1.180	01/90			4.0		NO
Sierra Leone	\$1.50	\$0.750	02/90			3.9		NO
South Africa	\$1.50	\$0.750	10/93	\$.600	04/94			NO
Sudan	6.00 GFC	\$1.180	01/86			8.0		NO
Swaziland	\$1.50	\$0.750	12/84			9.1		NO
Tanzania	\$1.50	\$0.750	07/84			9.5		NO
Togo	1.200 SDR	0.600 SDR	01/92			2.0		NO
Tunisia	1.200 SDR	0.600 SDR	08/91			2.3	YES ***	NO
Uganda	\$1.50	\$0.750	02/85			8.9		NO
Zaire	\$1.34	\$0.670	10/85			8.3		NO
Zambia	\$1.50	\$0.750	01/85			9.0		NO
Zimbabwe	\$1.50	\$0.750	04/87			6.8		NO

* Time-Bounded Agreement

** Data as of December 31, 1993

*** Intra-European Teurem Rate Range:
0.165 SDR - 0.275 SDR (\$0.23 - \$0.39)

Note: 1 SDR=\$1.40

22-Dec-93

AFRICA'S REGION (page2)
FCC Settlement Rate Target Range: 0.275 SDR - 0.420 SDR (\$0.39 - \$0.60)
Midpoint: 0.35 SDR (\$0.49)

Country	Percentage Above Midpoint at Lowest Rate	Achieves Midpoint of FCC Target Range in 1994	1991 AT&T Outpayment (millions)	1992 AT&T Outpayment (millions)	% Change 1991 to 1992	AT&T Initiated Change	AT&T % of 2-way 1992 mins.
Algeria	84%	NO	\$1.1	\$0.3	-73%	YES	56%
Angola	87%	NO	\$0.1	\$0.2	100%	YES	60%
Benin	2%	NO	\$0.1	\$0.3	200%	YES	84%
Botswana	53%	NO	\$0.1	\$0.4	300%	YES	66%
Burkina Faso	53%	NO	\$0.1	\$0.2	100%	YES	76%
Cameroon	84%	NO	\$1.3	\$1.7	31%	YES	74%
Cape Verde	2%	NO	\$0.7	\$1.2	71%	YES	89%
Congo	71%	NO	\$0.2	\$0.2	0%	YES	73%
Djibouti	53%	NO	\$0.2	\$0.3	50%	YES	85%
Egypt	63%	NO	\$21.6	\$25.5	18%	YES	86%
Ethiopia	84%	NO	\$7.3	\$7.9	8%	YES	87%
Eritrea	124%	NO	N/A	N/A	N/A	N/A	N/A
Gabon	71%	NO	\$0.8	\$0.1	-88%	YES	60%
Gambia	2%	NO	\$1.8	\$1.3	-26%	YES	90%
Ghana	2%	NO	\$5.2	\$5.5	6%	YES	90%
Guinea-Peoples Rep.	14%	NO	\$0.1	(\$0.1)	0%	YES	56%
Ivory Coast	155%	NO	\$7.9	N/A	N/A	YES	78%
Kenya	43%	NO	\$3.0	\$5.8	93%	YES	79%
Lesotho	53%	NO	\$0.1	\$0.2	100%	YES	74%
Liberia	2%	NO	\$0.4	\$0.7	75%	YES	59%
Malawi	2%	NO	\$0.1	\$0.1	0%	YES	56%
Mali	53%	NO	\$0.9	\$1.0	11%	YES	88%
Mauritania	53%	NO	\$0.0	\$0.1	0%	YES	66%
Mauritius	53%	NO	N/A	\$0.1	N/A	YES	59%
Morocco	171%	NO	\$9.4	\$8.1	-35%	YES	88%
Mozambique	56%	NO	\$0.3	\$0.2	-33%	YES	65%
Niger	53%	NO	\$0.1	\$0.2	100%	YES	73%
Nigeria	53%	NO	\$5.2	\$10.0	92%	YES	74%
Senegal	137%	NO	\$3.3	\$6.5	97%	YES	96%
Sierra Leone	53%	NO	\$1.1	\$2.8	155%	YES	97%
South Africa	22%	NO	\$2.9	\$5.0	72%	YES	58%
Sudan	141%	NO	\$0.2	\$0.8	200%	YES	72%
Swaziland	53%	NO	\$0.2	\$0.2	0%	YES	69%
Tanzania	53%	NO	\$0.6	\$0.8	33%	YES	88%
Togo	71%	NO	\$0.8	\$0.5	-38%	YES	70%
Tunisia	71%	NO	\$1.1	\$1.0	-9%	YES	60%
Uganda	53%	NO	\$0.3	\$0.7	133%	YES	89%
Zaire	37%	NO	\$0.1	\$0.4	300%	YES	95%
Zambia	53%	NO	\$0.0	\$0.4	N/A	YES	59%
Zimbabwe	53%	NO	\$0.5	\$0.9	80%	YES	60%

Note: 1 SDR=\$1.40

21-Dec-93

PROLIFERATING COUNTRIES (JANUARY 1982)

Country	Current Accounting Rate	Current Avg. Settlement Rate	Date of Last A/R Change	Latest Fidelity Rate Settlement Rate	Effective Date	Number of Years Since Last Change	Regional Discontinuation Status	Archives FOC Target Range in 1984
Argentina	\$1 66/61 54	\$0 630	07/85			8.5	YES (1)	NO
Armenia	\$1 66/61 54	\$0 630	01/83	\$0 500	01/84	8.5	YES (1)	NO
Bangladesh	\$2 00	\$1 000	06/83			0.4	YES (2)	NO
Burkina Faso	\$1 25	\$0 625	01/82			2.0	YES (2)	NO
Burundi	\$2 00	\$1 000	07/83			0.5	YES (2)	NO
China	\$1 50 GFC	\$1 28	06/83	\$1 080	01/85 *	0.6	YES (3)	NO
Cuba	\$1 26/61 00 6	\$0 630	07/81			2.5	YES (3)	NO
Cyprus	\$1 20	\$0 600	06/80			3.8	YES (3)	YES
Czech Rep	\$1 200 SDR	\$0 600 SDR	07/84	\$0 500 SDR	01/84	1.0	YES (2)	NO
Denmark	\$1 200 SDR	\$0 600 SDR	10/83			4.5	YES (2)	NO
Dominican Republic	\$1 20	\$0 600	12/83	\$0 450	01/86	0.5	YES (2)	NO
Egypt	\$1 80	\$0 600	07/83			1.8	YES (4)	NO
France	\$2 50	\$1 250	04/82			2.4	YES (5)	NO
French Polynesia	\$2 50	\$1 250	04/82			1.0	YES (5)	NO
Ghana	\$1 70	\$0 850	01/87			8.0	YES (6)	NO
Guyana	\$1 50	\$0 750	01/85			9.0	YES (6)	NO
Honduras	\$1 50	\$0 750	01/82			2.0	YES (6)	NO
India	\$2 00	\$1 000	06/80			3.4	YES (6)	NO
Indonesia	\$2 00	\$1 000	06/80			3.7	YES (6)	NO
Iran	\$2 00	\$1 000	06/80			3.7	YES (6)	NO
Israel	\$2 00	\$1 000	06/80			3.7	YES (6)	NO
Italy	\$2 00	\$1 000	06/80			3.7	YES (6)	NO
Japan	\$2 00	\$1 000	06/80			3.7	YES (6)	NO
Kenya	\$2 00	\$1 000	06/80			3.7	YES (6)	NO
Laos	\$2 00	\$1 000	06/80			3.7	YES (6)	NO
Lebanon	\$2 00	\$1 000	06/80			3.7	YES (6)	NO
Libya	\$2 00	\$1 000	06/80			3.7	YES (6)	NO
Mali	\$2 00	\$1 000	06/80			3.7	YES (6)	NO
Mexico	\$2 00	\$1 000	06/80			3.7	YES (6)	NO
Morocco	\$2 00	\$1 000	06/80			3.7	YES (6)	NO
Mozambique	\$2 00	\$1 000	06/80			3.7	YES (6)	NO
Nicaragua	\$2 00	\$1 000	06/80			3.7	YES (6)	NO
Nigeria	\$2 00	\$1 000	06/80			3.7	YES (6)	NO
Paraguay	\$2 00	\$1 000	06/80			3.7	YES (6)	NO
Peru	\$2 00	\$1 000	06/80			3.7	YES (6)	NO
Philippines	\$2 00	\$1 000	06/80			3.7	YES (6)	NO
Poland	\$2 00	\$1 000	06/80			3.7	YES (6)	NO
Portugal	\$2 00	\$1 000	06/80			3.7	YES (6)	NO
Romania	\$2 00	\$1 000	06/80			3.7	YES (6)	NO
Russia	\$2 00	\$1 000	06/80			3.7	YES (6)	NO
Saudi Arabia	\$2 00	\$1 000	06/80			3.7	YES (6)	NO
Senegal	\$2 00	\$1 000	06/80			3.7	YES (6)	NO
Seychelles	\$2 00	\$1 000	06/80			3.7	YES (6)	NO
Singapore	\$2 00	\$1 000	06/80			3.7	YES (6)	NO
Sri Lanka	\$2 00	\$1 000	06/80			3.7	YES (6)	NO
Tanzania	\$2 00	\$1 000	06/80			3.7	YES (6)	NO
Togo	\$2 00	\$1 000	06/80			3.7	YES (6)	NO
Turkey	\$2 00	\$1 000	06/80			3.7	YES (6)	NO
Uganda	\$2 00	\$1 000	06/80			3.7	YES (6)	NO
Yemen	\$2 00	\$1 000	06/80			3.7	YES (6)	NO

* Time-Bounded Agreement

-- Date as of December 31, 1982

(1) Settlement Rate between Hungary and Argentina (\$0 60)

(2) Settlement Rate between Hungary and Argentina (\$0 60)

(3) Settlement Rate between Hungary and Argentina (\$0 60)

(4) Settlement Rate between Hungary and Argentina (\$0 60)

(5) Settlement Rate between Hungary and Argentina (\$0 60)

(6) Settlement Rate between Hungary and Argentina (\$0 60)

(7) Settlement Rate between Hungary and Argentina (\$0 60)

(8) Settlement Rate between Hungary and Argentina (\$0 60)

(9) Settlement Rate between Hungary and Argentina (\$0 60)

(10) Settlement Rate between Hungary and Argentina (\$0 60)

Notes:

1. Settlement Rate between Hungary and Argentina (\$0 60)

2. Settlement Rate between Hungary and Argentina (\$0 60)

3. Settlement Rate between Hungary and Argentina (\$0 60)

4. Settlement Rate between Hungary and Argentina (\$0 60)

5. Settlement Rate between Hungary and Argentina (\$0 60)

6. Settlement Rate between Hungary and Argentina (\$0 60)

7. Settlement Rate between Hungary and Argentina (\$0 60)

8. Settlement Rate between Hungary and Argentina (\$0 60)

9. Settlement Rate between Hungary and Argentina (\$0 60)

10. Settlement Rate between Hungary and Argentina (\$0 60)

11. Settlement Rate between Hungary and Argentina (\$0 60)

12. Settlement Rate between Hungary and Argentina (\$0 60)

13. Settlement Rate between Hungary and Argentina (\$0 60)

14. Settlement Rate between Hungary and Argentina (\$0 60)

PROBLEMATIC COUNTRIES (cont.)

Country	Percentage of Loans at Least Paid	Arrears of FCC Target in 1994	1991 ATAT Outstanding (millions)	1992 ATAT Outstanding (millions)	% Change 1991 to 1992	ATAT Status of 2-way Change	ATAT % 1992
Argentina	60%	NO	\$18.8	\$20.8	5%	YES	72%
Armenia	61%	NO	N/A	\$0.4	N/A	YES	65%
Bangladesh	104%	NO	\$9.8	\$11.3	15%	YES	63%
Burkina Faso	20%	NO	\$7.7	\$8.8	-12%	YES	74%
Burundi	62%	NO	\$16.0	\$13.7	-4%	YES	65%
Cameroon	104%	NO	\$0.2	(\$0.1)	-100%	YES	67%
China	120%	NO	\$27.5	\$28.7	-21%	YES	67%
Cote d'Ivoire	27%	NO	\$12.1	\$13.7	-12%	YES	77%
Cuba	22%	NO	\$10.8	\$8.3	-17%	YES	60%
Cyprus	127%	NO	\$4.8	\$2.4	-40%	YES	74%
Czech Rep.	168%	NO	\$1.8	\$1.7	0%	YES	60%
Dominican Republic	127%	NO	\$8.8	\$4.8	-14%	YES	61%
Egypt	4%	NO	\$70.5	\$82.3	11%	YES	64%
El Salvador	63%	NO	\$21.8	\$25.5	16%	YES	60%
French Polynesia	168%	NO	\$2.5	\$2.1	-16%	YES	77%
Ghana	168%	NO	\$8.8	\$8.8	-13%	YES	68%
Guinea	73%	NO	\$7.7	\$14.2	64%	YES	74%
Honduras	63%	NO	\$18.8	\$28.8	46%	YES	63%
Indonesia	64%	NO	\$14.7	\$16.8	8%	YES	77%
Iraq	268%	NO	\$28.8	\$18.8	-27%	YES	74%
Italy	104%	NO	(\$9.2)	\$1.8	1680%	YES	62%
Latvia	6%	NO	\$14.8	\$14.8	0%	YES	70%
Lebanon	68%	NO	\$88.8	\$84.5	-7%	YES	74%
Libya	25%	NO	\$87.7	\$84.5	-2%	YES	60%
Madagascar	168%	NO	\$7.8	\$8.8	0%	YES	70%
Malawi	63%	NO	\$12.2	\$11.5	-4%	YES	60%
Mali	64%	NO	\$3.8	\$7.1	62%	YES	77%
Morocco	128%	NO	(\$46.4)	(\$46.8)	3%	YES	60%
Mozambique	171%	NO	\$9.4	\$8.1	-1%	YES	60%
Niger	104%	NO	\$1.0	\$1.1	10%	YES	70%
Nigeria	63%	NO	\$16.8	\$16.8	-1%	YES	60%
Paraguay	63%	NO	\$8.2	\$16.8	62%	YES	74%
Peru	33%	NO	\$19.2	\$18.8	-4%	YES	73%
Romania	128%	NO	\$46.4	\$48.8	10%	YES	91%
Russia	61%	NO	\$4.2	\$3.8	-9%	YES	70%
Saudi Arabia	13%	NO	\$28.8	\$25.5	-10%	YES	71%
Senegal	46%	NO	\$18.8	\$18.4	-4%	YES	77%
Seychelles	168%	NO	\$8.8	\$8.1	-4%	YES	64%
Slovakia	318%	NO	\$12.5	\$21.8	62%	YES	60%
Slovenia	124%	NO	\$3.3	\$8.6	97%	YES	71%
Sudan	137%	NO	\$28.8	\$28.3	-2%	YES	60%
Taiwan	46%	NO	\$1.8	\$2.8	61%	YES	72%
Tanzania	141%	NO	\$0.2	\$0.8	280%	YES	72%
Togo	208%	NO	\$6.7	\$7.8	16%	YES	63%
Turkey	63%	NO	\$1.8	\$2.1	11%	YES	63%
Ukraine	2%	NO	\$21.4	\$20.8	-3%	YES	73%
United Kingdom	71%	NO	\$1.1	\$1.0	-9%	YES	67%
Uzbekistan	173%	NO	\$18.8	\$13.5	-28%	YES	70%
Yemen	31%	NO	\$6.1	\$7.7	51%	YES	65%
Yugoslavia	63%	NO	\$3.8	\$5.4	42%	YES	65%

●● Represents percent of ATAT rate paid in excess of rate paid by Tehran

Note: 1 SDR=\$1.40

22 Dec 93

EGREGIOUS COUNTRIES (page1)

Country	Current Accounting Rate	Current Avg. Settlement Rate	Date of Last A/R Change	Lowest Future Rate		Number of Years Since Last Change**	Regional Discrimination Exists	Achieves FCC Target Range in 1994
				Settlement Rate	Effective Date			
Denmark	1.000 SDR	0.500 SDR	07/89			4.5	YES (1)	NO
Fr. Polynesia	\$2.50	\$1.250	08/91			2.4	YES (2)	NO
Guyana	\$1.70	\$0.850	01/87			6.0	YES (3)	NO
Honduras	\$1.50	\$0.750	01/85			9.0		NO
Iran	\$3.00	\$1.500	08/90			3.4		NO
Panama	\$1.30	\$0.650	03/80			13.8		NO
Pakistan	\$2.30	\$1.150	04/90			3.6		NO
Russia (Rostelecom)	\$2.60	\$1.300	01/93			1.0	YES (1)	NO

** Date as of December 31, 1993

(1) Intra-European Teurem Rate Range:

0.165 SDR - 0.275 SDR (\$0.23 - \$0.39)

Intra-Nordic Rate: 0.05 SDR (\$0.07)

(2) Settlement Rate with Australia: (\$0.56)

(3) Settlement Rate between Trinidad/Tobago and Guyana: (\$0.37)

Growth Based rate

Note: 1 SDR=\$1.40

22-Dec-93

EGREGIOUS COUNTRIES (page2)

Country	Percentage Above Midpoint at Lowest Rate	Achieves Midpoint of FCC Target Range in 1994	1991 AT&T Outpayment (millions)	1992 AT&T Outpayment (millions)	% Change 1991 to 1992	AT&T Initiated Change	AT&T % of 2-way 1992 mins.
Denmark	127%	NO	\$5.6	\$4.8	-14%	YES	61%
Fr. Polynesia	155%	NO	\$0.6	\$0.5	-17%	YES	65%
Guyana	73%	NO	\$7.7	\$14.2	84%	YES	76%
Honduras	53%	NO	\$18.5	\$26.8	45%	YES	83%
Iran	206%	NO	\$26.0	\$19.0	-27%	YES	74%
Panama	33%	NO	\$19.2	\$18.0	-6%	YES	73%
Pakistan	135%	NO	\$45.4	\$49.8	10%	YES	91%
Russia (Rostelecom)	319%	NO	\$10.4	\$20.6	96%	YES	68%

Note: 1 SDR=\$1.40

22-Dec-93

FRENCH POLYNESIA

There has been no change in the accounting rate discussions with French Polynesia. AT&T approached the correspondent again in 1993 to reduce rates toward cost-based levels without success. AT&T is awaiting a response to a recent proposal.

GUYANA

The situation in Guyana remains essentially the same as that described in AT&T's 1993 filing. AT&T had one meeting with GTT in Guyana in 1993 and was unable to achieve any reduction in the accounting rate.

IRAN

Throughout 1993, AT&T was unsuccessful in its attempts to get the Iranian administration to consider seriously reductions in the current accounting rate.

PAKISTAN

Attempts to negotiate accounting rate reform with Pakistan have become met with increasing resistance over the past year. AT&T approached Pakistan Telecommunications Company (PTC) several times in 1993 to negotiate, but PTC rejected every proposal, and refused to discuss accounting rates at meetings with AT&T representatives. PTC has provided additional circuits to other U.S. carriers, while denying AT&T the additional circuits it needs to provide U.S.-Pakistan service. PTC has indicated to AT&T that it considers AT&T's attempts to raise the subject of accounting rates as an "insult", and has insisted on receiving an apology from AT&T before implementing additional circuits or conducting further discussions.

HONDURAS

Honduras has the highest accounting rate in Central America, and has not changed its rate for nine years. AT&T has had numerous meetings in 1993 and in prior years with HONDUTEL; each of its attempts to negotiate a lower accounting rate has been unsuccessful.

PANAMA

The accounting rate with Panama has not changed in over 13 years. AT&T has approached INTEL several times over the past six years and has presented numerous proposals for accounting rate reform. INTEL has rejected every proposal and has not bargained in good faith.

RUSSIA

In 1993, AT&T approached Rostelecom several times to lower the accounting rate. However, Rostelecom's agreement to maintain a \$2.60 per minute accounting rate with other U.S. carriers ultimately forced AT&T to agree to the same rate. With the tremendous increase in the number of circuits planned over the next five year period, however, outbound traffic to Russia -- and the outpayment subsidy -- will skyrocket as a result of the significantly above-cost accounting rate.

DENMARK

There has been no change in the accounting rate with Telecom Denmark since July 1, 1989. AT&T has initiated several meetings with Telecom Denmark, and has escalated the issue of accounting rate reform within Telecom Denmark's management, but to no avail. Telecom Denmark also engages in discrimination against U.S. carriers as it maintains settlement rates with administrations in Europe and with Canada.

HELEN E. DISENHAUS
ATTORNEY-AT-LAW

SWIDLER
&
BERLIN
CHARTERED

ORIGINAL

DIRECT DIAL
(202)424-7725

February 15, 1994

VIA HAND DELIVERY

Mr. George S. Li
Chief, International Facilities Division,
Common Carrier Bureau
Federal Communications Commission
1919 M Street, N.W., Room 534
Washington, D.C. 20554

Re: BT North America, Inc. - File No. I-T-C-93-126
Comments of ACC Global Corp. on Request for Expedited Treatment

Dear Mr. Li:

We represent ACC Global Corp. ("ACC") which submits the following comments on a recent supplement to the above-referenced application. On February 4, 1994, BT North America, Inc. ("BTNA") requested that the Commission separate certain portions of the above-referenced application (those requesting authority for IMTS resale and for resale of non-interconnected private lines) from the rest of the application and act expeditiously to grant the separated portion.

ACC opposes use of such a procedure and expedited treatment of any portion of the BTNA application, and does not believe that to do so would serve the public interest, until BTNA's parent, British Telecommunications plc ("BT"), has made all arrangements necessary for U.S.-owned companies such as ACC's U.K. affiliate, ACC Long Distance UK Limited ("ACC-UK"), that provide for commercially reasonable interconnection arrangements, which do not discriminate against U.S.-owned resellers. As shown on the attached chronology detailing the history of negotiations between ACC-UK and BT, in the 18 months since ACC-UK received its U.K. license to provide international private line resale services between the U.K. and designated countries, despite intervention from the U.K. regulators, ACC-UK has just (on February 11, 1994) obtained an interconnection agreement from BT, and other necessary arrangements are still pending. Until ACC-UK has achieved commercially reasonable interconnection, its U.K. license is essentially useless.

Now that the execution of the interconnection agreement has occurred, ACC believes that completion of the other arrangements providing for interconnection on commercially reasonable terms may be imminent. Until such arrangements are obtained, however, it would not be in the public interest for the Commission to grant BTNA's request.

The requested partial grant of the application would allow BTNA to enter the U.S. market and would allow BTNA to attempt to achieve a substantial share of the U.S. international services market at a time when its U.K. affiliate is utilizing its market power and control of bottleneck facilities in the U.K. to prevent U.S.-owned companies from providing services in the U.K. Given BT's deep pocket and its proposed alliance with MCI Communications Corporation ("MCI"), BTNA could easily afford to operate resale services for some time -- even at a loss -- in order to acquire such marketshare while it awaits approval of its private line resale application and of its proposed investment in MCI that will allow it to enter the facilities-based market in the U.S. To grant BTNA's application allows BT to have its way on both sides of the Atlantic: It can freely enter the lucrative U.S. market while keeping out competition in the U.K.

The following steps must have occurred before commercially reasonable interconnection can be said to have been achieved so that U.S. companies have a realistic opportunity of providing resale services in the U.K.:

- Conveyancing rates (both domestic and international) that are reasonable and based on relevant costs (after interconnectors have had a realistic opportunity to evaluate the costing methodology and cost elements) must be established.
- ADCs must be waived by the U.K. Office of Telecommunications ("OfTel") (and the period for judicial appeal must have expired without the filing of an appeal or a reversal of the OfTel decision) for a reasonable period in order to give competitors a chance to enter the market and provide the competitive spur that will help bring international rates closer to costs.
- Indirect access (that is, allowing customers to access the ACC-UK network by means of an access code) must be available to interconnectors.
- Technical issues must have been resolved and switch testing completed.

As the chronology demonstrates, to date, BT has been permitted to delay interconnection to an unconscionable extent through such tactics as refusing to meet with interconnectors, raising specious technical issues, and forcing interconnectors to appeal to the regulator repeatedly to compel BT to comply with the terms of its PTO license. The Commission authorized private line resale, in part, at the behest of the U.K. government and U.K. resellers, but the record, thus far, belies their claims of the openness of the U.K. market that led to this U.S. liberalization and encouraged U.S.-owned resellers such as ACC-UK to make substantial investments in the U.K. To grant the subject BTNA request now is to reward BT's intransigence and its thwarting of U.K. market entry by U.S.-affiliated resellers.

Until BTNA can demonstrate that U.K. interconnection is realistically available to U.S.-affiliated resellers on commercially reasonable terms, the Commission should deny BTNA's request and foreclose it from entry and expansion in the U.S. international services market. The signing of the interconnection agreement was a significant step in making such interconnection